

Dallas Business Journal

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Pest patrol

the emerging west nile virus has created strong demand for Mosquitonix's unique misting system

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BUG-FREE BACK YARD: MosquitoNix Inc., led by CEO Dan Neil, expects to rake in \$12 million in 2007.

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In North Texas, if the blistering summer heat doesn't keep you inside, swarms of pesky mosquitoes could -- and the West Nile virus some of them carry has taken the situation beyond annoying to downright dangerous. One Dallas-based company has come up with a system that beats the bugs at their own game -- and it's experiencing rapid growth because of it.

MosquitoNix Inc. uses a unique misting system, which employs similar technology to sprinklers. Tubes are laid throughout the yard with small misting nozzles spaced evenly apart. A drum of pesticide, made from all-natural chrysanthemum flower extract, is stowed close to an outdoor air conditioning system, and the unit is set to a timer that triggers the mist only while the bugs are at their most fierce. It also includes a rain sensor that prevents the waste of pesticide.

The company was launched in 2003 in Dallas. Dan O'Neil, a North Texas investor and former insurance executive, took the helm in 2005.

"The original owners came up to a lot of challenges, namely that they had selected franchising as their main mode of growth," O'Neil says. "They wanted to grow, and they wanted to grow quickly."

The approach proved to be a solid one; MosquitoNix expanded to several new markets with five franchise partners in its first year.

O'Neil is being even more aggressive. He aims to make MosquitoNix a national brand. The company has 15 franchise partners, at an average price of about \$40,000 per franchise, and is serving more than 50 cities across the country.

Within four years, O'Neil expects to have 100 new franchise partners on board. In Dallas, what he calls the "flagship market, the company serves more than 3,000 customers, from residences in Highland Park to the suburbs, and business clients of all stripes.

O'Neil's favorite feature of the misting system is a wireless key-ring remote, which can trigger the system from more than 50 yards away.

"Our high-end customers just love showing it off," he says.

Targeting a fragmented market requires a strategic approach. O'Neil says despite the challenges, the demand is strong.

"Most of the other businesses are mom-and-pop operations and don't have the sophistication that we do," he says. "Along with an emphasis on customer service, I think that's what sets us apart. Nobody does what we do, and nobody backs up their service with a brand as solid as ours."

Plans are under way to produce a spray-on version of the company's natural pesticide. Eventually, O'Neil would like to see the MosquitoNix brand on store shelves from coast to coast.

West Nile factor

The demand for MosquitoNix's services is expected to continue to grow, due in part to increasing concerns about the West Nile Virus -- and global warming. As temperatures climb, studies have shown the insect population, especially mosquitoes, will rise in tandem with the thermostat.

Some of those pests will carry the West Nile Virus. Since 2002, the first year it cropped up in more than 200 Texas counties, authorities with the Department of State Health Services have chalked up more than 70 deaths -- with 33 in 2006.

Dr. Mark Duffy, with the Center for Disease Control's communicable viruses branch, recommends everyone take steps to ward off the infection.

"We talk about three things: personal protective measures, like wearing chemical repellents, minimizing exposure by doing things like dressing in pants and long-sleeve shirts during the summer months, and making changes in your lifestyle to limit time spent in areas where mosquitoes breed," he said. "It can be an inconvenience, especially in hot weather, but it could save your life."

Last year, when parts of Dallas County were gripped by numerous infections, some fatal, MosquitoNix stepped up and offered free fogging treatments in panicked neighborhoods.

"It's the sort of public service I think is worthwhile to any company," O'Neil said. "It might have been a free service, but you can bet it got people in those areas talking. We've grown by leaps and bounds since then."

Last year, MosquitoNix generated \$10 million in revenue. It expects to hit \$12 million in 2007.

O'Neil says his goal is to "put mosquitoes on the endangered species list.

"That's one of the nice things about our system," he says. "It doesn't just repel the bugs like a body spray, it kills them, and makes sure they don't come back."

SCRATCHING AN ITCH

NAME: MosquitoNix Inc.

BUSINESS: Pest control products and services

HEADQUARTERS: 14282 Gillis Road, Dallas 75244

OWNERSHIP: Private

TOP EXECUTIVE: Dan O'Neil, CEO

EMPLOYEES: 40

ANNUAL REVENUE: \$10 million (2006)

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